



General Assembly

January Session, 2009

***Raised Bill No. 6485***

LCO No. 3508

\*03508\_\_\_\_\_BA\_\*

Referred to Committee on Banks

Introduced by:  
(BA)

***AN ACT REGULATING SHORT SALES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (*Effective October 1, 2009*) (a) As used in this  
2       section:

3       (1) "Mortgagee" means the original lender under a mortgage, or its  
4       agents, successors or assigns;

5       (2) "Mortgagor" means the owner-occupant of a one-to-four family  
6       residential property located in this state, including, but not limited to,  
7       a single-family unit in a common interest community, who is also the  
8       borrower under a mortgage encumbering such real property;

9       (3) "Short sale" means a procedure in which, due to prevailing real  
10      estate market conditions, a mortgagor sells or is only reasonably able  
11      to sell a mortgaged property for less than the value of the mortgage,  
12      and the mortgagee agrees to accept the money received from such sale  
13      as satisfaction of a mortgage and may also waive its rights under a  
14      promissory note in lieu of foreclosure proceedings; and

15 (4) "Short sale consultant" means a person who directly or indirectly  
 16 makes a solicitation, representation or offer to a mortgagor to negotiate  
 17 or obtain, in return for payment of money or other valuable  
 18 consideration, a short sale agreement but does not include (A) an  
 19 attorney licensed to practice law in this state; (B) a mortgage broker  
 20 licensed under sections 36a-485 to 36a-498a, inclusive, of the general  
 21 statutes; (C) a real estate salesperson or real estate broker licensed  
 22 under section 20-312 of the general statutes; or (D) any organization  
 23 which is exempt from taxation pursuant to Section 501(c)(3) of the  
 24 internal Revenue Code of 1986, or any subsequent corresponding  
 25 internal revenue code of the United States, as amended from time to  
 26 time.

27 (b) No person shall act as a short sale consultant without a license  
 28 issued by the Department of Banking. A person desiring a short sale  
 29 consultant license shall apply to the **Department of Banking** on such  
 30 forms as the Banking Commissioner prescribes. The commissioner  
 31 shall adopt regulations, in accordance with the provisions of chapter  
 32 54 of the general statutes, for purposes of this subsection.

33 (c) The commissioner may impose a fine of \_\_\_\_ dollars on any  
 34 individual, corporation, limited liability company or partnership that  
 35 acts as a short sale consultant without a license required by this  
 36 section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2009</i>	New section

***Statement of Purpose:***

To require short sale consultants to be licensed by the Department of Banking, with certain exceptions.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*